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Regional architecture

Regional architecture: administrative, budgetary and financial implications and implementation plan

Report of the Under-Secretary-General/Executive Director

Summary

This present report provides the overall administrative, budgetary and financial implications, including an overall implementation plan, for the new regional architecture for the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), as requested by the Executive Board of UN-Women in its decision 2012/4.

The architecture consists of the establishment of six regional offices and six multi-country offices; the evolution of the current UN-Women subregional offices into regional offices, multi-country offices or country offices; greater decentralization of authority to the field, including the moving mid- and lower-level oversight functions from headquarters to regional offices; the transfer of some technical and operations functions from headquarters to the field; and corresponding changes at Headquarters to reflect changed roles.

Under the regional architecture, at Headquarters UN-Women will focus on high-level strategic oversight and global technical and policy knowledge. It will provide greater support to country and regionally focused inter-agency processes as well as to the UN-Women normative role. The change in functions allows some programme management capacity to move from headquarters to the field. The regional offices of UN-Women provide managerial and programme oversight of country and multi-country offices, quality assurance, technical and operational support and policy advice; they also support knowledge-sharing and undertake inter-agency coordination at the regional level.

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The regional offices are located at United Nations regional hubs in Egypt, Kenya, Panama, Senegal and Thailand. As there is no United Nations hub for Europe and Central Asia, UN-Women considered a number of generous offers from Member States and selected Istanbul as the location for that regional office.

The regional structure creates 39 new posts on the institutional budget, with staff costs under the architecture totalling $111.4 million (2012-2013) versus $104.8 million in the institutional budget adopted by the Executive Board in its decision 2011/5 of 7 December 2011. The difference represents an increase for the biennium of $6.6 million over the two years (part of 2012 and all of 2013). Operational costs increase by $540,000 to a total of $10.7 million (2012-2013). There is no significant change in recurring costs and there are no additional set-up costs.

The total additional costs to the budget are $7.1 million. However, they will be met within the existing allocation, since UN-Women put on hold the recruitment of a number of staff, pending a final decision on the regional architecture, which has made adequate funding available to cover the additional costs. As a result, the additional costs arising from the regional architecture do not require an increase in the allocation.

The UN-Women implementation plan for above-mentioned changes aims to achieve them rapidly without disrupting delivery, while minimizing costs and adverse impacts on staff. It foresees all regional offices fully functioning by the second quarter of 2013, with full implementation of the structure by the end of 2013. Implementation in individual regions will progress as rapidly as possible. However, UN-Women is aware that the plan is a complex undertaking, so will retain flexibility in timing as required. A number of supporting measures will be put in place, including capacity development for staff, accelerated recruitment, and the amendment and issuance of modified programme and operations guidance. To protect the interests of staff, human resources guidelines have been prepared, and measures will be put in place to ensure business continuity and maximize opportunities for staff development.

Elements of a decision

The Executive Board may wish to: (a) take note with appreciation of the present report of the Under-Secretary-General/Executive Director on the regional architecture; (b) welcome the efforts by UN-Women to strengthen its presence at the field level, in accordance with the principles laid out in the strategic plan for 2011-2013 and the institutional budget for 2012-2013; (c) endorse the regional architecture and affirm that the resulting budgetary implications will be met within the appropriation of the institutional budget for 2012-2013, as proposed in the present report; and (d) approve the revised institutional budget for 2012-2013, for a total amount of $140.8 million (gross), and note that the restated institutional budget amounts to $147.9 million (gross).

I. Introduction

1. The General Assembly, in its resolution 64/289, decided to establish the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), which is a new entity that seeks to improve the lives of women and girls, and make more effective and coherent the contribution of the United Nations to that goal, and also decided, in the same resolution:

(a) That the Entity shall provide, through its normative support functions and operational activities, guidance and technical support to all Member States, across all levels of development and in all regions, at their request, on gender equality, the empowerment and rights of women and gender mainstreaming;

(b) That the Entity shall operate on the basis of principles agreed to through the process of the comprehensive policy review of its operational activities, in particular by responding to the needs of and priorities determined by Member States, upon their request.

2. The General Assembly further decided that the establishment of the Entity should lead to more effective coordination, coherence and gender mainstreaming across the United Nations system.

3. In its strategic plan, UN-Women describes as its highest priority the restructuring and upgrading of its effectiveness and presence on the ground, at both regional and national levels.[1] These elements reflect the motivations that drove the establishment of UN-Women, with the clear intention by Member States to establish an entity that demonstrated the ways in which the values of the Charter of the United Nations might be expressed to leverage both the normative and operational aspects of the United Nations and, most importantly, to drive, catalyse and facilitate meaningful and positive change in the lives of women and girls around the world.

4. The capacity of UN-Women to bring about such change derives in significant part from the four constituent entities that preceded it and that were consolidated, as decided by the General Assembly in its resolution 64/289. While all four former entities had relevant and important capacities at the headquarters level, current UN-Women structures at the regional and national levels are predominantly inherited from the former United Nations Development Fund for Women, and therefore need to be adapted to meet the demands of the Entity's new and extended mandate. In effect, its mandate was superimposed upon an organizational structure intended for one that was significantly less broad and ambitious.

5. In its institutional budget for 2012-2013 (UNW/2011/11), adopted by the Executive Board in its decision 2011/5 of 7 December 2011 (see UNW/2011/13), UN-Women stated, in paragraph 6, that the Executive Director would recommend further budgetary adjustments stemming from the regional architecture review. Paragraph 36 of the same document stated that the present proposals did not prejudge the findings of the regional architecture review, and that the Executive Director would recommend any further necessary budgetary adjustments stemming from the review. This report presents those budgetary adjustments.

6. UN-Women presented the report of the Under-Secretary-General/Executive Director on the regional architecture (UNW/2012/5) to the annual session of the

[1] See UNW/2011/9, para. 30.

Executive Board, held in New York from 29 May to 1 June 2012. In that report, the Under-Secretary-General/Executive Director which laid out the proposed direction for strengthening and reforming the UN-Women architecture at the regional level, and the corresponding changes at the national and headquarters levels which would best align the organization with its mandate and strategic plan. She noted that the structures and business processes inherited from predecessor entities had numerous weaknesses and had to be adapted to the new mandate and entity. These weaknesses included:

(a) Uneven capacity across the organization; .

(b) Overly centralized decision and approval mechanisms, leading to delays and high transaction costs;

(c) Misaligned lines of reporting which limit effective oversight;

(d) Inconsistent internal communication and knowledge-sharing;

(e) Limited decision-making authority for UN-Women representatives, including with regard to financial resources;

(f) Lack of adequate technical capacity at the field level.

7. At the 2012 annual session, the Executive Board, in its decision 2012/4 (see UNW/2012/9), encouraged UN-Women to continue to carry the regional architecture process forward. The Board took note with appreciation of the report of the Under-Secretary General/Executive Director, and requested that she submit, at its second regular session, a report on the overall administrative, functional and budgetary implications of the regional architecture, which should include, inter alia, an implementation plan. The present report has been prepared in response to that request.

II. Vision for change

8. The goal of UN-Women in addressing its regional architecture is to achieve the overall strengthened capacity of the organization to deliver results for women and girls at the national level, as envisaged in its strategic plan and in response to national priorities. Achieving this goal entails improvements in effectiveness and efficiency through decentralization. In addition, UN-Women needs to adapt its inherited structures to respond to changes in its operating environment, and in particular to increased regional initiatives, greater South-South cooperation and marked increases in national capacity in many countries. Those capacities need to be leveraged both for national development efforts and for gathering lessons learned and experience that can be shared regionally and globally. To achieve these improvements and changes, UN-Women will consolidate and strengthen capacities at the regional level and devolve certain oversight functions from headquarters to the regional level.

9. In addition, changes in UN-Women have led to reduced demands on its fifteen existing subregional offices. The strengthening of its field presence has included increasing the capacity of the country offices, including through greater delegation of authority, recruitment of senior leadership at a level comparable to that of other heads of entities in the United Nations country teams, along with other elements of minimum staffing proposed in the 2011 field capacity assessment. It has also

involved the preparation of strengthened country-level programming frameworks. Since the role of the subregional offices has consisted in significant part of providing support to former, less well-capacitated country presences, the requirement for that support in the new context of strengthened offices, able to operate more independently with increased delegation of authority, is reduced.

10. The preceding approach is reflected in the United Nations Entity for Gender Equality and the Empowerment of Women existing approved institutional budget which already laid out many of the changes required to achieve the objectives of reform of the regional architecture. In implementing the provisions of the existing institutional budget, UN-Women has already progressed in the direction of the reforms described in the present report, including through the establishment of three regional offices.

11. Consequently, current fifteen subregional offices of UN-Women will be replaced by six regional offices, located in the United Nations common regional hubs. The six regional offices will have the capacity to perform day-to-day programmatic oversight and technical advisory and operational support functions for the country offices, while global oversight, strategic orientation and advisory functions will remain at the headquarters level. Details of the specific roles are elaborated in section III. This approach builds upon existing structures, helping them to evolve and making them more efficient and effective. To respond to increased requests for UN-Women support to countries, while recognizing that opening its country offices in every country requesting support is not possible, UN-Women will establish multi-country offices, whereby one office and one representative are responsible for the work of UN-Women in multiple countries. The proposed approach reflects the UN-Women universal mandate in that every country which requests assistance is covered either by headquarters, a regional office, a multi-country office or a country office. It also reflects a commitment by UN-Women to increase its contribution to regional normative and coordination processes.

12. The intended result of the preceding changes is to bring capacity closer to the field; empower UN-Women staff at the field level; reduce transaction costs arising from multiple layers of oversight for key business processes; better distinguish higher-level programmatic and operational oversight and global policy work in headquarters from day-to-day oversight and support, which can function better closer to the field; and improve overall efficiency and effectiveness of UN-Women. The direction of the changes was anticipated in the staffing proposed in the UN-Women institutional budget for the period 2012-2013 as approved by the Executive Board in its decision 2011/5. While implementing the approved institutional budget, UN-Women has already put into place the changes and the approach foreseen under the new regional architecture.

III. The new regional structures and processes and corresponding changes at other levels

13. The proposed new regional architecture of UN-Women entails the following:

(a) Six UN-Women regional offices;

(b) Six multi-country offices;

(c) The transformation of the fifteen existing UN-Women subregional offices into one of the new regional offices, a multi-country office or a country office;

(d) The moving of day-to-day managerial oversight functions for the UN-Women country presences from headquarters to regional offices;

(e) The transfer of some technical and operational functions from headquarters to the regional level in response to shifts in accountabilities;

(f) Accompanying changes at headquarters to support higher-level oversight and support to the field.

14. The overall effect of the new regional architecture is to bring capacity closer to the country level and delegate authority in a more effective and efficient way to process transactions faster and increase impact and the achievement of results. The regional architecture exercise is designed to deliver improvements across the organization, and as a result involves accompanying simplified business processes and adjustments, including corresponding improvements at the headquarters and country levels. Detailed guidelines for the delegation of authority are being put into place for the regional directors, laying out the division of authority and types of authorizations between the headquarters and regional levels.

A. Headquarters level

15. Changes in the regional architecture at the headquarters level include both those relating to business processes and those relating to organizational structures. With regard to organizational structures, the majority of changes at the headquarters level are in the programme and policy functions. The primary functional shift with regard to those functions is the moving of the day-to-day and more detailed oversight functions and programmatic technical support and guidance functions to the regional level, while strengthening headquarters capacity to provide high-level strategic oversight and generate global technical and policy knowledge. Under the previous structures inherited from the former entities, managerial day-to-day oversight of country presences was located at headquarters. Under the new proposed structure this task will be undertaken by the six regional directors and regional offices, who in turn will report to the Director of the Programme Support Division at UN-Women headquarters. In addition, the regional directors will be guided by senior management and work closely with other headquarters divisions in New York.

16. The existing policy and programme structure at headquarters includes geographical sections which perform oversight functions and operational support for the country level. This structure presents a number of challenges. They include oversight and support which are geographically removed from the country presences, and structural anomalies such as country representatives at the D-1 level reporting to geographical section chiefs at the P-5 level in New York. As a result, a large proportion of the functions previously conducted by the geographical sections will shift to the new regional offices, addressing the issues of geographical proximity and alignment of reporting lines with seniority.

17. Given the shift in functions, some programme capacity will be reassigned from headquarters to the regional level, where new capacity will be required to carry out

regular oversight in such operational areas as financial authorizations, approval of procurement, approval of recruitment and aspects of programmatic oversight.

18. Headquarters programme capacity will be adjusted by modifying a number of existing positions to ensure that it is able to carry out its higher-level oversight functions and provide guidance and support to regional offices, including the approval of programmes and of transactions above the regional offices' approval thresholds. As part of its higher level oversight and guidance function, headquarters will also strengthen its capacity to provide corporate guidance on strategic planning and results-based management.

19. Technical and policy advisory services will be expanded at the regional level through the establishment of new positions and the transfer of expertise and funding, including programmes that are dedicated to supporting country-level and regional results that were in the past managed from headquarters. That shift will enable more relevant and timely support to national Governments and partners, facilitate substantive engagement with regional and subregional intergovernmental and expert bodies in the areas of gender equality and women's empowerment, and strengthen the ability of the organization to draw upon regional and national experience and expertise to address its universal mandate.

20. UN-Women will also increase its emphasis on global research and analysis at the headquarters level, on the development of tools and guidance in thematic areas and on more broadly positioning UN-Women as the global leader in the development and articulation of policy on gender equality and women's empowerment. Headquarters will employ its strengthened regional oversight capacities so as to better participate in country and regionally focused inter-agency processes that take place at the headquarters level, such as inter-agency task forces on specific countries or themes. In addition, those strengthened capacities will provide additional support to intergovernmental normative processes under the coordination of the UN-Women dedicated intergovernmental capacity.

21. While the dedicated capacity for normative functions at headquarters remains unchanged, the regional offices will be an extension of those functions at the field level and will facilitate the fulfilment of the UN-Women normative mandate. The regional level will support the analysis and collection of information and inputs for intergovernmental processes, while also acting to ensure that the country and multi-country offices support implementation of intergovernmental decisions, such as those of the Commission on the Status of Women.

22. Similarly, dedicated capacity for inter-agency coordination at the global level will remain at headquarters. However, the regional level will take on the functions of inter-agency coordination at the regional level, including regional United Nations Development Group structures and provision of support to country and multi-country offices in carrying out their role of promoting more effective inter-agency coordination for gender equality results. This function will be facilitated by having at each regional office a regional strategic planning and coordination specialist (included in the existing institutional budget).

23. Together with overall strengthened management and administration functions and accountabilities at the headquarters level, UN-Women will increase capacity for operations in its regional offices. It will leverage technology and modern business practices to support services in such areas as finance and procurement, allowing

country and multi-country offices to employ regional resources for key aspects of operations. It will also reduce the need for dedicated operations staff in smaller country offices.

B. Regional level

24. The six regional offices will be responsible for managerial and programme oversight, quality assurance, technical and operational support and policy advice for country offices in their region, including with regard to the UN-Women normative function. They will also be responsible for inter-agency coordination at the regional level, including the UN-Women's United Nations Development Group partners, as well as the Regional Coordination Mechanism convened by the regional commissions and non-core resource mobilization and partnership. The regional offices will promote closer partnership with civil society, including through regional civil society advisory groups. They will engage with regional bodies and processes, facilitate knowledge management within their region and between regions, support regional and country-level actions under trust funds managed by UN-Women and support stronger advocacy and communications across the region.

25. Every regional office will have common core minimum staffing funded from the institutional budget (see annex II) that carries out the following functions:

(a) Managerial and programmatic oversight and support;

(b) Operational support;

(c) Technical advisory support;

(d) Communications and advocacy support.

26. In addition, every regional office will have additional technical and policy advisory capacity funded from core resources, representing a direct contribution to country and regional level programmatic activities through guidance and support. Technical capacities in regional offices will vary between regions depending on regional needs, demands and specificities broadly reflecting the priority areas of the strategic plan. Technical capacity will support progress at the regional level in the priority areas and country-level activities undertaken in those areas by country and multi-country offices.

27. There will be delegation of authority for day-to-day oversight from headquarters to the regional directors, who will directly supervise every representative in her/his region, whether the representative is in a country or multi-country office. In addition, the regional director will have higher levels of delegated authority in such areas as:

(a) Signature of programmes, donor agreements and associated budgets;

(b) Approval of transactions and payments;

(c) Recruitment of all national staff in his/her region. The hiring of international staff remains at the headquarters level;

(d) Donor reports, which are currently approved at the Headquarters level.

28. Regional offices will also be responsible for UN-Women support to countries in their region with a programme or project presence that is not covered by a

country or multi-country office (see annex I for a list of UN-Women offices under the new architecture).

C. Country and multi-country offices

29. UN-Women currently has 50 country or subregional offices. They are defined as offices with a representative (P-5, or in a few cases D-1 level), and where the capacity of the office allows for adequate segregation of duties to allow delegation of authority.

30. The country and multi-country offices deliver UN-Women support to government and other partners upon their request, in line with the UN-Women mandate. The offices are the vehicle through which UN-Women carries out its programmatic and operational activities. They manage funds and play a technical and advocacy role. They are an essential part of the UN-Women normative mandate, promoting awareness of and adherence to international norms and standards, such as the agreed conclusions of the Commission on the Status of Women and the Convention on the Elimination of All Forms of Discrimination against Women, at the national level, while also bringing experience and knowledge from the national level to regional and global normative development. A minimum five staff complement for country offices, including the representative, an operations officer and an administrative staff member were included under the approved institutional budget, drawing upon the recommendations of the field capacity assessment.

31. UN-Women continues to strengthen its country-level presences in response to the demands of its new and expanded mandate. Notably, the appointment of more senior representatives to head UN-Women country and multi-country offices increases capacity in a number of areas, in particular the ability of UN-Women to play a leadership role within the United Nations country team as a full member. Since the beginning of the current biennium, UN-Women has hired 14 new country representatives, five new deputy representatives, two new regional directors and three deputy regional directors. In addition, country and multi-country offices will have more delegated authority, allowing for faster business processes at the country level, and thereby better support for partners. UN-Women is also conducting leadership training for senior staff to ensure they are properly prepared to carry out the responsibilities of their functions.

32. Multi-country offices are similar to country offices, with the exception that their portfolio covers more than one country. The primary difference between multi-country offices and country offices is that the representatives of multi-country offices represent UN-Women in more than one country simultaneously, including on multiple United Nations country teams simultaneously. However, by their nature, multi-country offices will require capacity to reflect the additional responsibility of representing the UN-Women mandate on other United Nations country teams. While such offices may have modest presences in many of the countries they cover, and even an overall programme portfolio that is not unusually large compared to regular country offices, the inter-agency and normative functions will place extra demands upon them, which is reflected in the capacities UN-Women assigns to them. The locations UN-Women has proposed for multi-country offices are comparable to those of other United Nations entities in the field.

D. Other modalities

33. On the basis of requests and national demand, and taking into account existing UN-Women capacities and capacities within the United Nations country team to mainstream gender into its work, UN-Women will continue to have other modalities by which it will be present in a country other than through a regional office or country or multi-country office. The most common of these modalities will be through the presence of a senior UN-Women gender adviser to the resident coordinator and the United Nations country team. At present there are UN-Women gender advisers in selected countries, with plans for additional advisers to be added on the basis of demand.

34. UN-Women provides support to countries on the basis of national requests and its overall corporate capacities at the headquarters, regional and country levels. In line with the UN-Women universal mandate, headquarters will continue to engage with countries directly, as appropriate, depending on the nature of support required or partnership envisaged, in particular in countries where UN-Women has no programmatic presence. However, regional offices will serve as the primary point of contact for countries in their region. For example, requests for support from countries in North America will be addressed by the regional office in Panama, and those from Western Europe will be covered by the regional office for Europe and Central Asia and supported by UN-Women headquarters as required. Support to non-programme countries will be borne by earmarked contributions from the respective country requesting assistance. Liaison for all countries in the Asia and the Pacific region will be carried out by the regional office in Bangkok.

E. Location of regional offices

35. UN-Women used the following criteria to determine the location of its six regional offices:

(a) Presence in a United Nations hub, and/or proximity to other United Nations entities and other major regional partners, in particular the UN-Women main partners, from a programmatic perspective, within the United Nations Development Group regional teams;

(b) Ability to serve the region, including such considerations as travel and general ease of conducting business;

(c) Cost, including both costs relating to establishment and those relating to ongoing management and operations;

(d) The leveraging of resources of UN-Women and other partners.

On that basis, the locations for five of the six regional offices were determined as follows:

(a) Eastern and Southern Africa: Nairobi;

(b) West and Central Africa: Dakar;

(c) Americas and the Caribbean: Panama;

(d) Arab States: Cairo;

(e) Asia and the Pacific: Bangkok.

36. In the case of the regional office for Europe and Central Asia, the location was not immediately obvious, as there is no single United Nations hub in the region. Four Member States made strong and generous offers to host the UN-Women regional office for Europe and Central Asia. Information on the potential locations was gathered, and following an internal assessment of the four locations, and on the basis of the above criteria, Istanbul was selected as the location for the Europe and Central Asia regional office of UN-Women. Specific considerations included the following:

(a) With no United Nations hub in the region, UN-Women looked at the regional offices of the UN-Women main partners within the United Nations Development Group regional teams, in particular those with which the agency works most closely. While all countries considered had some United Nations presence, Istanbul currently hosts the regional office for Europe and Central Asia of the United Nations Population Fund (UNFPA), an important partner agency for UN-Women within the United Nations system;

(b) Istanbul offered the best balance of price and convenience in terms of travel to and within the region, including the shortest and most direct flights to a majority of UN-Women's current and proposed country and multi-country offices locations;

(c) All countries considered offered rent-free high quality accommodation. The Government of Turkey and one other country offered generous financial assistance for costs relating to the establishment of the new office;

(d) Istanbul also offered a relatively lower cost of living, reflected in the post adjustment and daily subsistence allowance levels, both of which represent a significant element of cost to be considered for any location over the medium to long term;

(e) The location of Istanbul between Europe, the Middle East, the Caucasus and Central Asia offers UN-Women potential additional benefits in terms of interregional cooperation;

(f) The primary disadvantage of Istanbul is the absence of an existing UN-Women office to serve as the foundation for the new regional office. However, this was considered a short-term concern, with other benefits over the medium to long term being more significant.

F. Business process improvements

37. Faster response to national priorities, improvement of business processes and strengthened internal control requirements are an integral part of the new regional architecture and, going forward, will provide a solid operational foundation for UN-Women. Areas in which business process improvements have been targeted include the following:

(a) Clearer accountabilities in day-to-day decision-making;

(b) Streamlined programme and project approval;

(c) Delegated authority for operational management and decision-making;

(d) Simplified recruitment processes;

(e) Donor reports issued by the field with fewer stages of clearance.

IV. Costings

38. The present report provides details of the implications of the changes at the headquarters, regional and country levels for the institutional budget for 2012-2013, and submits them for the approval of the Executive Board. The details of core programmable funding that is also being applied to the regional architecture to strengthen the regional offices' programmatic functions are provided for information.

A. Methodology

39. UN-Women has costed the new structure and is presenting it in comparison with the current arrangement. The cost base (all costs relating to the regional architecture) has been broken down into three categories to facilitate the calculation:

(a) **Staff costs.** A comparison has been made between the approved institutional budget versus the annual cost of the proposed regional architecture post table (on the basis of the capacity required to meet the functions described in section III), including costs relating to relocation and repatriation as well as other costs that are incurred during the initial move to a new office;

(b) **Recurring operational costs.** The new regional architecture entails only one additional office (the regional office for Europe and Central Asia) as compared with the approved institutional budget. The cost base used for the additional office is the same as that used for the offices in the approved institutional budget;

(c) **Initial set-up costs.** They include one-off costs incurred in setting up new field structures at the regional and country levels, such as asset purchases and information and communications technology.

40. In addition, UN-Women has examined the extent to which projected unspent funds from the institutional budget in 2012 amount to or exceed the incremental costs of the new structure in 2013.

B. Assumptions

41. A number of assumptions have been used in the calculations:

(a) The comparison is based on the total annual costs for 2012 and 2013 (comparing 2012 on the basis of the projected costs for the existing infrastructure versus the costs for the proposed infrastructure);

(b) All new posts arising from the proposed new regional architecture will be filled by 1 January 2013. While actual recruitment may occur after that date, it is a working assumption intended to avoid underestimating costs;

(c) Operating costs are an average of $60,000 per office;

(d) Recurrent and non-recurrent staff costs are calculated on the basis of comparable rates from other entities in the United Nations system;[2]

(e) A total of 21 new offices (including former programme presences that are being upgraded to full country offices) are being strengthened or established over the period, in accordance with the approved institutional budget.[3]

C. Results of cost analysis

42. On the basis of the preceding assumptions and taking into consideration the structures described, UN-Women calculates the costs associated with the regional architecture reforms as follows:

(a) **Staff costs.** The current approved institutional budget for 2012-2013 includes field and headquarters staff costs of $104.8 million (see annex III). The equivalent staff costs arising from the new regional architecture for the current biennium are $111.4 million (ibid.), an increase of $6.6 million. The increase consists of an additional $5.9 million for new proposed posts and $700,000 for functional adjustments within the existing structure;

(b) **Operational costs.** On the basis of the above assumption of recurring field-related operational costs in accordance with the current institutional budget, plus an additional $60,000 for the new office, operational costs for regional architecture implementation are estimated at $10.7 million for the biennium, an increase of $540,000. This is a result of accelerating the opening of other offices in relation to the timeline envisaged in the approved institutional budget, with seven offices being opened in 2012 rather than in 2013. The current approved institutional budget for 2012-2013 includes recurring field operational costs of $10.2 million for the biennium, and as such the recurring operational costs of the new regional architecture are only marginally different from those in the existing institutional budget;

(c) **Initial set-up costs.** The existing UN-Women institutional budget includes initial set-up costs for a proposed 21 new offices within its budget line for operational expenses. Consequently, there is no need to calculate initial set-up costs separately. Any set-up costs for new offices are already included in the related operating expenses of the current institutional budget, with the exception of those relating to the offices whose opening has been brought forward from 2013.

43. Consequently, the new proposed UN-Women regional architecture represents an additional cost to the institutional budget of $7.1 million over the course of the biennium 2012-2013, of which $6.6 million represents additional staff cost and $540,000 other costs.

44. UN-Women is also proposing to assign core programmable funds to the regional offices to support programmatic functions. The total core funds for staff for regional offices envisaged for the biennium 2012-2013 are $2.1 million.

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[2] UN-Women uses rates employed by the International Civil Service Commission (ICSC) and the United Nations Development Programme (UNDP).

[3] UNW/2011/11, para. 8.

D. Funding modalities

45. Since the start of the regional architecture exercise, UN-Women has taken a prudent approach to recruitment and has not recruited for positions where the implications of the changes in the regional architecture were not yet decided.

46. On the basis of current projections, there are sufficient funds available within the existing approved institutional budget to cover additional costs for the 2012-2013 biennium arising from changes to the regional architecture. As a result, there is no request to increase the institutional budget.

E. Modifications

47. On basis of the preceding analysis, UN-Women requests the Board's approval to modify its institutional budget for 2012-2013 within the existing approved total amount, as follows:

(a) Create 26 new posts in regional offices;

(b) Create 10 new posts in country and multi-country offices;

(c) Create 3 new support posts at headquarters.

48. The total number of new posts proposed on the institutional budget is 39 (see annex III).

49. The institutional budget thus revised would provide a basis for consideration of the institutional budget for 2014-2015. If the above modifications were retained, they would be reflected in a nominal annual increase to the 2014-2015 institutional budget compared to the 2012-2013 institutional budget of $6.3 million.

50. While there is no current request for extra funding within the institutional budget for 2012-2013, the increase in approved posts and internal restructuring results in a comparable baseline net institutional budget for 2012-2013 totalling $139.4 million ($147.9 million gross) compared to $132.3 million ($140.8 million gross) in the approved 2012-2013 institutional budget.

51. The proposed revised 2012-2013 institutional budget (without requesting extra funding) is presented in annexes V (organizational chart), VI and VII in the same format as the original (see UNW/2011/11), and would be the new baseline for preparation of the 2014-2015 institutional budget.

V. Implementation plan

52. The purpose of the implementation plan for the regional architecture is to transition UN-Women from its current structure to the envisaged regional structure described in sections III and IV in a manner:

(a) That achieves the transition in the minimum time possible;

(b) That avoids disruption to the operations of UN-Women, particularly at the country level, in the course of the transition;

(c) That minimizes one-off costs associated with the changes;

(d) That minimizes adverse impacts on staff, while also providing staff with opportunities for career development;

(e) That incorporates flexibility to allow for adaptations to the plan if opportunities for its acceleration arise, or if unforeseen risks to business continuity are identified.

A. Timeline

53. The implementation of changes to the regional architecture is anticipated to be fully completed by the end of 2013, putting the new structure in place for implementation of the new strategic plan, 2014-2017. Full establishment of the regional offices is anticipated to proceed as follows:

(a) Eastern and Southern Africa (Nairobi): first quarter of 2013;

(b) West and Central Africa (Dakar): first quarter of 2013;

(c) Americas and the Caribbean (Panama): first quarter of 2013;

(d) Arab States (Cairo): first quarter of 2013;

(e) Asia and the Pacific (Bangkok): fourth quarter of 2012;

(f) Europe and Central Asia (Istanbul): second quarter of 2013.

54. Within regions, full delegation of authority is expected to be in place at the majority of country offices by mid-2013, with a minority requiring to the end of 2013. See annex VIII for a more detailed account of changes and when they take place.

55. The primary risk of implementation is that accountabilities and powers will be transferred to business units which are not yet prepared and capacitated to carry out the duties required. As a result, UN-Women is addressing this proactively to ensure that changes will be phased in on the basis of evolving capacities at the regional and country levels. .

B. Elements of implementation

56. Regional offices will be capacitated in a number of areas to carry out their functions and roles, including those areas in which delegation of authority will be provided to the regional director. They include such areas as the following:

(a) Representation;

(b) Programme management, including programme design, monitoring and evaluation, and authority to enter into agreements;

(c) Implementation of an internal control framework, financial management and procurement management;

(d) Human resources management;

(e) Resource mobilization;

(f) Security;

(g) Audit.

57. The implementation plan includes three main elements, the completion of which establishes capacity at both the regional and country levels to allow for the full range of roles and functions to be carried out:

(a) **Establishment of the regional office(s)**. This entails the establishment and bringing to full capacity of regional offices, and includes:

(i) Establishment of premises for the locations where there are either no existing UN-Women premises, or where the existing UN-Women premises are inadequate for the requirements of the regional office (for example, in terms of size). This includes premises that meet security requirements;

(ii) Recruitment of full staffing complement. The levels of necessary recruitment vary between regions. In those cases in which the regional offices are in locations where a former UN-Women subregional office was present, the recruitment stage will be expedited by the use of existing staff. Full staffing is necessary for the establishment of the internal control framework and is thus a prerequisite for delegation of authority;

(iii) Assumption of oversight of country and multi-country offices by the regional director. In general this occurs upon assumption of duties by the regional director, with a small number of exceptions for countries where support needs require a slower transition from headquarters support;

(iv) Programmatic and operational delegation of authority granted to regional director. This occurs shortly after the assumption of duties by the regional director and is based on a common delegation-of-authority template;

(v) Training of staff as required;

(b) **Delegation of authority to country offices**. This occurs when the offices have capacity in place to assume full responsibility in the programmatic and operational areas. It is tracked through a delegation dashboard and includes the following:

(i) A country pre-audit and risk mitigation review;

(ii) Minimum staffing requirements met for segregation of duties;

(iii) Staff training and certifications in areas including operations, accounting and procurement completed;

(iv) Delegation of authority documents completed and signed;

(c) **Transformation of subregional offices into multi-country or country offices**. This applies to subregional offices that are not becoming regional offices. It includes:

(i) Undertaking of a functional analysis in the context of the changed role of the office;

(ii) Alignment of staffing with the new functional analysis;

(iii) Cessation of operational support to country offices at the point at which the regional office's capacity is in place;

(iv) Communication to national/subregional partners on the changed role of the office.

C. Supporting measures

58. In addition to phasing, UN-Women will employ a number of supporting measures to mitigate disruption and risks during the implementation of the regional architecture and promote a smooth and successful change process, including:

(a) Assignment of temporary additional capacity to support regional offices and country and multi-country offices to meet deadlines for assumption of delegated authority;

(b) Preparation and implementation of a capacity development plan for staff at different levels to prepare them to take over new roles and responsibilities in line with the shifts in functions;

(c) Accelerated programme of certification in such areas as finance and procurement to allow delegation of authority;

(d) Accelerated process of recruitment so that necessary staff are in place to ensure, inter alia, the requisite staffing for a functioning internal control framework;

(e) Amendment of existing and preparation of new programme and operations guidance that reflects the changes in UN-Women structures and provides clarity at different levels on workflows and accountabilities.

D. Human resources considerations

59. Guidelines for handling the human resources implications of changes are developed at headquarters, with input from staff representatives, nominated by staff.

60. To ensure business continuity during the process of establishing the new architecture and processes, recruitment will continue for positions that meet the following criteria:

(a) Approved institutional budget and core positions that are immediately needed for exigencies of service and that are in line with the new direction set by the regional architecture;

(b) Project posts based on approved project documents with the required funding.

61. UN-Women will endeavour to afford opportunities to staff to take advantage of the changes to develop their careers. In particular, it will provide an opportunity for staff who have not yet had opportunities to gain direct experience at the country level to do so. The new structure and positions will also offer an opportunity for UN-Women to seek and bring in new external talent. In doing so, UN-Women will also endeavour to retain its current high levels of geographical diversity in its staffing.

E. Review

62. The process envisages the new regional architecture in place and fully functioning by the end of 2013. UN-Women will regularly monitor the effectiveness of the new regional architecture and after two years of implementation may recommend possible revisions to the structure on the basis of lessons learned. UN-Women will also maintain an ongoing dialogue with the Executive Board to consider progress and issues arising during implementation of the new architecture.

VI. Conclusion

63. Since its establishment, UN-Women has been engaged in a series of rapid actions designed to take the inherited capacities and structures from the four former entities upon which it is founded and develop them into an organization which meets the expectations of the General Assembly, civil society and national partners, and of women and girls themselves. The regional architecture process is a change management response to the vision of the UN-Women strategic plan, one which sees UN-Women achieve a greater impact than its constituent entities were previously able to do in the pursuit of results, in particular at the country level, including results achieved through leveraging the capacities of the United Nations system as a whole.

64. UN-Women believes that within the existing institutional budget resources it can put a new and strengthened structure in place that delivers that impact. It also believes that this is a structure which will remain valid and appropriate in the longer term precisely because it reflects the imperatives of the UN-Women mandate. The new regional architecture represents the final change that UN-Women envisages. The completion of the transition will mark the end of the establishment phase of UN-Women, as it becomes an organization with a structure that matches the objectives laid down by its Executive Board and shared by its partners.

Annex I

List of regional, multi-country and country offices envisaged by UN-Women as at end 2013

Regional offices	*Multi-country offices*	*Country offices*[a]	*Programme presence*[b]
Africa: Nairobi and Dakar	South Africa (Southern Africa)	Burundi, Cameroon, Côte d'Ivoire, Democratic Republic of the Congo, Ethiopia, Kenya, Liberia, Malawi, Mali, Mozambique, Nigeria, Rwanda, Senegal, Sierra Leone, South Sudan, Sudan, Uganda, United Republic of Tanzania, Zimbabwe	Cape Verde, Ghana, Guinea-Bissau, Somalia[c]
Arab States: Cairo	Morocco (Maghreb region)	Egypt, Iraq and Jordan; Occupied Palestinian Territory	Algeria, Libya, Mauritania, Tunisia, Yemen
Asia and the Pacific: Bangkok	India (Bhutan, Maldives and Sri Lanka) Fiji (Pacific Islands)	Afghanistan, Bangladesh, Cambodia, Nepal, Pakistan, Papua New Guinea, Thailand, Timor-Leste, Viet Nam	China, Indonesia, Kiribati, Lao People's Democratic Republic, Myanmar, Philippines, Samoa, Solomon Islands, Vanuatu
Europe and Central Asia: Istanbul	Kazakhstan (Central Asia)	Albania, Bosnia and Herzegovina, Georgia, Kyrgyzstan, Republic of Moldova, Slovakia, Tajikistan	Kosovo,[d] Serbia, the former Yugoslav Republic of Macedonia
Americas and the Caribbean: Panama City	Barbados (Caribbean)	Brazil, Bolivia (Plurinational State of), Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Mexico, Paraguay	Honduras, Nicaragua, Uruguay

[a] Offices with international representatives and capacities required for delegation.
[b] Varying presence with senior gender adviser or project personnel.
[c] Operating out of the office in Nairobi.
[d] Under Security Council resolution 1244 (1999).

Annex II

Core staffing of regional offices

Management

- Regional Director (D-1)
- Deputy Regional Director (P-5)

Technical support

- Policy Adviser (P-5)
- Strategic Planning and Coordination Specialist (P-4)
- Communications and Advocacy Specialist (NO-C)

Operational support

- International Operations Manager (P-4)
- Human Resources Specialist (P-3)
- Finance Specialist (NO-C)
- Programme Finance Associate (G-7)
- Procurement/Administrative Associate (G-7)

Other

- Driver (G-3)

In addition, each regional office will have a P-4 Evaluation Specialist funded from the corporate evaluation budget.

Annex III

Comparison of current approved institutional budget with proposed revised institutional budget for 2012-2013

(Thousands of United States dollars)

	Current approved institutional budget 2012-2013			*Proposed institutional budget including regional architecture*			*Difference*		
	Staff	*Non-staff*	*Total*	*Staff*	*Non-staff*	*Total*	*Staff*	*Non-staff*	*Total*
	(a)	*(b)*	*(c)=(a)+(b)*	*(d)*	*(e)*	*(f)=(d)+(e)*	*(g)=(a)-(d)*	*(h)=(b)-(e)*	*(i)=(g)+(h)*
Headquarters	47 978	22 345	70 323	47 734	22 345	70 079	(245)	–	(245)
Field	56 778	10 174	66 952	63 616	10 714	74 330	6 838	540	7 378
Subtotal	**104 756**	**32 519**	**137 275**	**111 350**	**33 059**	**144 409**	**6 594**	**540**	**7 134**
Security			2 700			2 700			–
IPSAS			800			800			–
Total			**140 775**			**147 909**			**7 134**

Note: For the approved budget for 2012-2013, see UNW/2011/11 and UNW/2011/13, decision 2011/5.
Abbreviation: IPSAS, International Public Sector Accounting Standards.

Annex IV

Summary of post changes in proposed revised institutional budget for 2012-2013

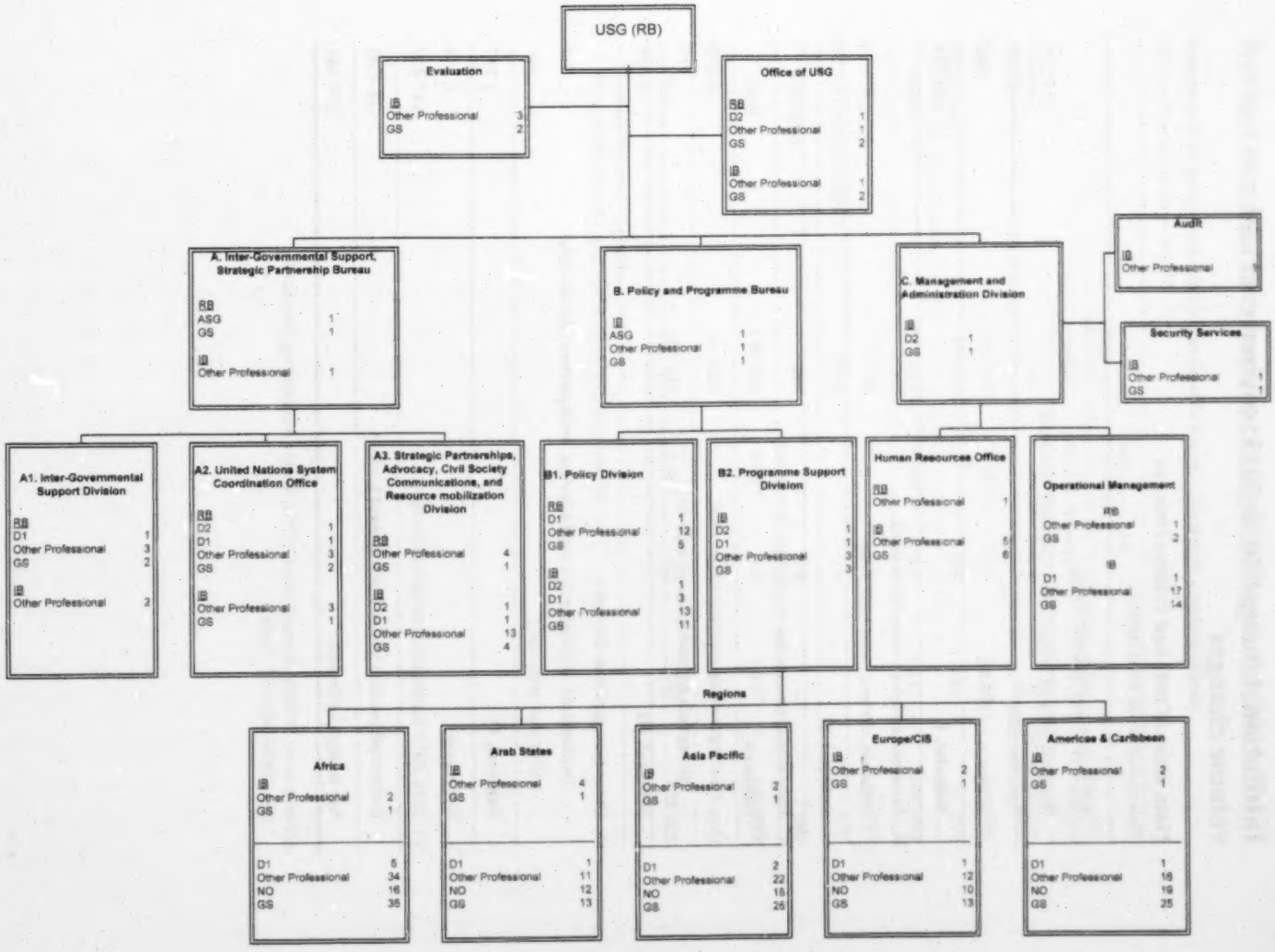
New post proposals — regional architecture

Region	*D-1*	*Other Professional staff*	*NO*	*General Service staff*	*Total*
Africa	1	2	1	1	5
Arab States		4	2	1	7
Asia and the Pacific		4	4	2	10
Europe/CIS		4	1	3	8
Americas and the Caribbean		2	2	2	6
Headquarters		2		1	3
Total	**1**	**18**	**10**	**10**	**39**

Abbreviations: NO, national officer; CIS, Commonwealth of Independent States.

Annex V

Revised organizational chart



Abbreviations: ASG, Assistant Secretary-General; GS, General Service; IB, institutional budget; NO, National Officer; RB, regular budget; USG, Under-Secretary-General.

Annex VI

Institutional budget 2012-2013: revised cost and volume changes[a]

Main areas of cost and volume changes

(Thousands of United States Dollars)

I. 2012-2013 institutional budget	
Biennial support budget from voluntary resources	137 275
Security costs	2 700
Adoption of IPSAS	800
Subtotal, I	**140 775**
II. Increases and decreases due to costs	
Inflation, currency and staff costs	–
Subtotal, II	–
III. Increases/decreases due to changes in volume	
Increases	
Strengthening presence in the field	5 389
Strengthening management support	528
Subtotal, III	**5 917**
IV. Other increases and decreases	
Deployment of programme staff between headquarters and the field	677
Other non-post costs	540
Subtotal, IV	**1 217**
V. Net change	7 134
VI. 2012-2013 institutional budget estimates	147 909
Estimated income under institutional budget	**(8 428)**
Net budget estimates	**139 481**

Abbreviation: IPSAS, International Public Sector Accounting Standards.

[a] See UNW/2011/11, table 2.

Annex VII

Revised summary of proposed budget estimate for 2012-2013[a]

Summary of proposed budget estimate from voluntary contributions

(Thousands of United States dollars)

Category	*Approved 2012-2013 budget*[b] *(a)*	*Change in volume 2012-2013*		*Change in cost 2012-2013* *(d)*	*2012-2013 estimates*
		Amount	*Percentage*		
		(b)	*(c)=(b)/(a)*		*(e)=(a)+(b)+(d)*
Posts	104 756	5 917	5.6	677	111 350
Other costs	32 519		0.0	540	33 059
Total	**137 275**	**5 917**	**4.3**	**1 217**	**144 409**
Security	2 700		0.0		2 700
IPSAS implementation	800		0.0		800
Subtotal	**3 500**	–	**0.0**	–	**3 500**
Total	**140 775**	**5 917**	**4.2**	**1 217**	**147 909**
Income	(8 428)		0.0		(8 428)
Net	**132 347**	**5 917**	**4.5**	**1 217**	**139 481**

[a] See UNW/2011/11, table 5.

[b] See UNW/2011/11 and UNW/2011/13 decision 2011/5.

Annex VIII

Summary of implementation plan for roll-out of regional architecture

Key milestones	2012		2013			
	Third quarter	*Fourth quarter*	*First quarter*	*Second quarter*	*Third quarter*	*Fourth quarter*
Americas and the Caribbean						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises	Completed					
1.2 Full staff complement for regional office in place			X			
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director		X				
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations		X				
1.5 Regional office fully operational			X			
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices completed, including staffing profiles		X				
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X				
2.3 Alignment and recruitment of staff completed		X				
2.4 All multi-country offices/country offices established and operational			X			
Europe and Central Asia						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises			X			

Key milestones	2012		2013			
	Third quarter	*Fourth quarter*	*First quarter*	*Second quarter*	*Third quarter*	*Fourth quarter*
1.2 Full staff complement for regional office in place				X		
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director				X		
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations			X			
1.5 Regional office fully operational				X		
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices completed, including staffing profiles			X			
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X	X	X		
2.3 Alignment and recruitment of staff completed				X		
2.4 All multi-country offices/country offices established and operational				X		
West and Central Africa						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises		X				
1.2 Full staff complement for regional office in place			X			
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director			X			

Key milestones	*2012*		*2013*			
	Third quarter	*Fourth quarter*	*First quarter*	*Second quarter*	*Third quarter*	*Fourth quarter*
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations			X			
1.5 Regional office fully operational			X			
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices completed, including staffing profiles		X				
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X	X	X		
2.3 Alignment and recruitment of staff completed			X			
2.4 All multi-country offices/country offices established and operational				X		
Eastern and Southern Africa						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises		X				
1.2 Full staff complement for regional office in place			X			
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director			X			
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations			X			
1.5 Regional office fully operational			X			
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices, including staffing profiles, completed		X				

Key milestones	2012		2013			
	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X	X			
2.3 Alignment and recruitment of staff completed			X			
2.4 All multi-country offices/country offices established and operational				X		
Arab States						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises		X				
1.2 Full staff complement for regional office in place			X			
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director	In place					
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations		X	X			
1.5 Regional office fully operational			X			
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices, including staffing profiles	Completed					
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X	X			
2.3 Alignment and recruitment of staff completed		X				
2.4 All multi-country offices/country offices established and operational			X			

Key milestones	2012		2013			
	Third quarter	*Fourth quarter*	*First quarter*	*Second quarter*	*Third quarter*	*Fourth quarter*
Asia and the Pacific						
Establishment of regional office						
1.1 Regional office facilities set up with secured premises		X				
1.2 Full staff complement for regional office in place		X				
1.3 Regional director and office assume oversight of country offices/multi-country offices, with programmatic and operational delegation of authority granted to the regional director		X				
1.4 Training of new staff on UN-Women strategic priorities, mandate, programme and operations		X				
1.5 Regional office fully operational		X				
Transformation of former subregional offices into country offices/multi-country offices						
2.1 Functional analysis and functional structure of multi-country offices/country offices completed, including staffing profiles		X				
2.2 Continued operational support provided by subregional offices and headquarters, until regional office has full operational capacity	X	X	X			
2.3 Alignment and recruitment of staff completed		X				
2.4 All multi-country offices/country offices established and operational			X			